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Deep Dive Gas Midstream

Christopher Delbrück, Chief Financial Officer
Keith Martin, Chief Commercial Officer

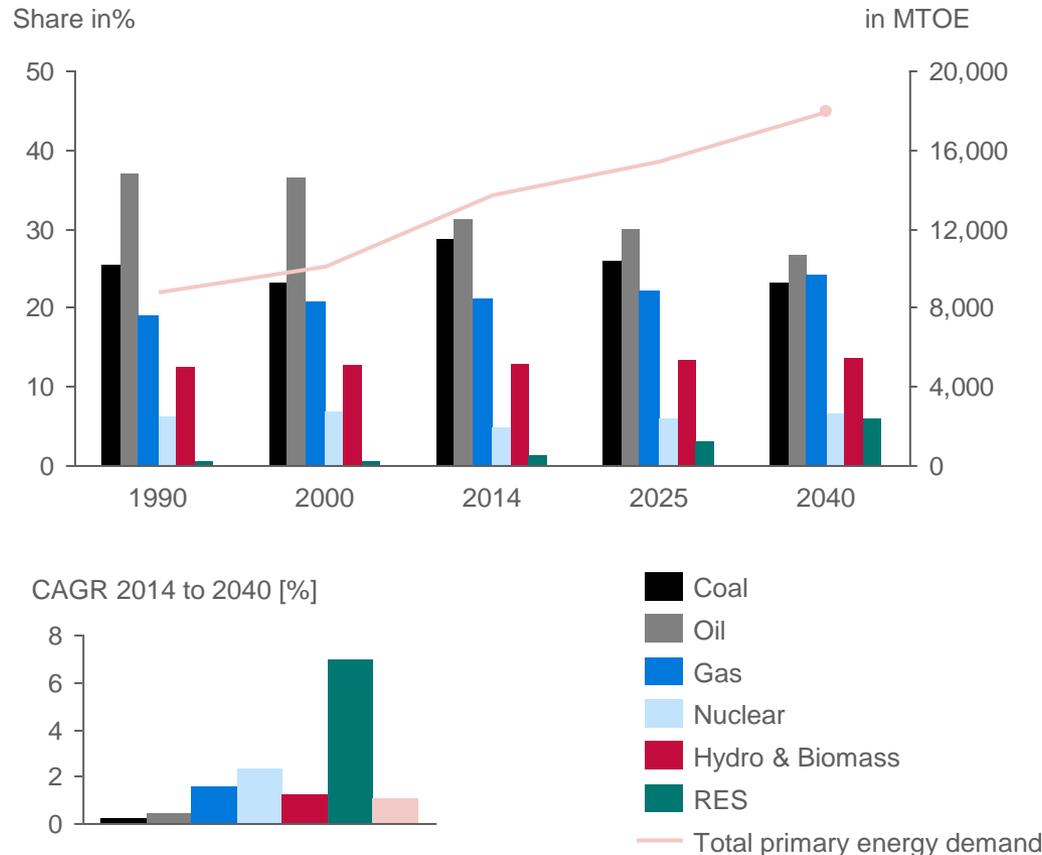


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Gas will be key in supporting the transformation to decarbonization

Shares of primary energy demand



Key highlights

Increasing energy demand

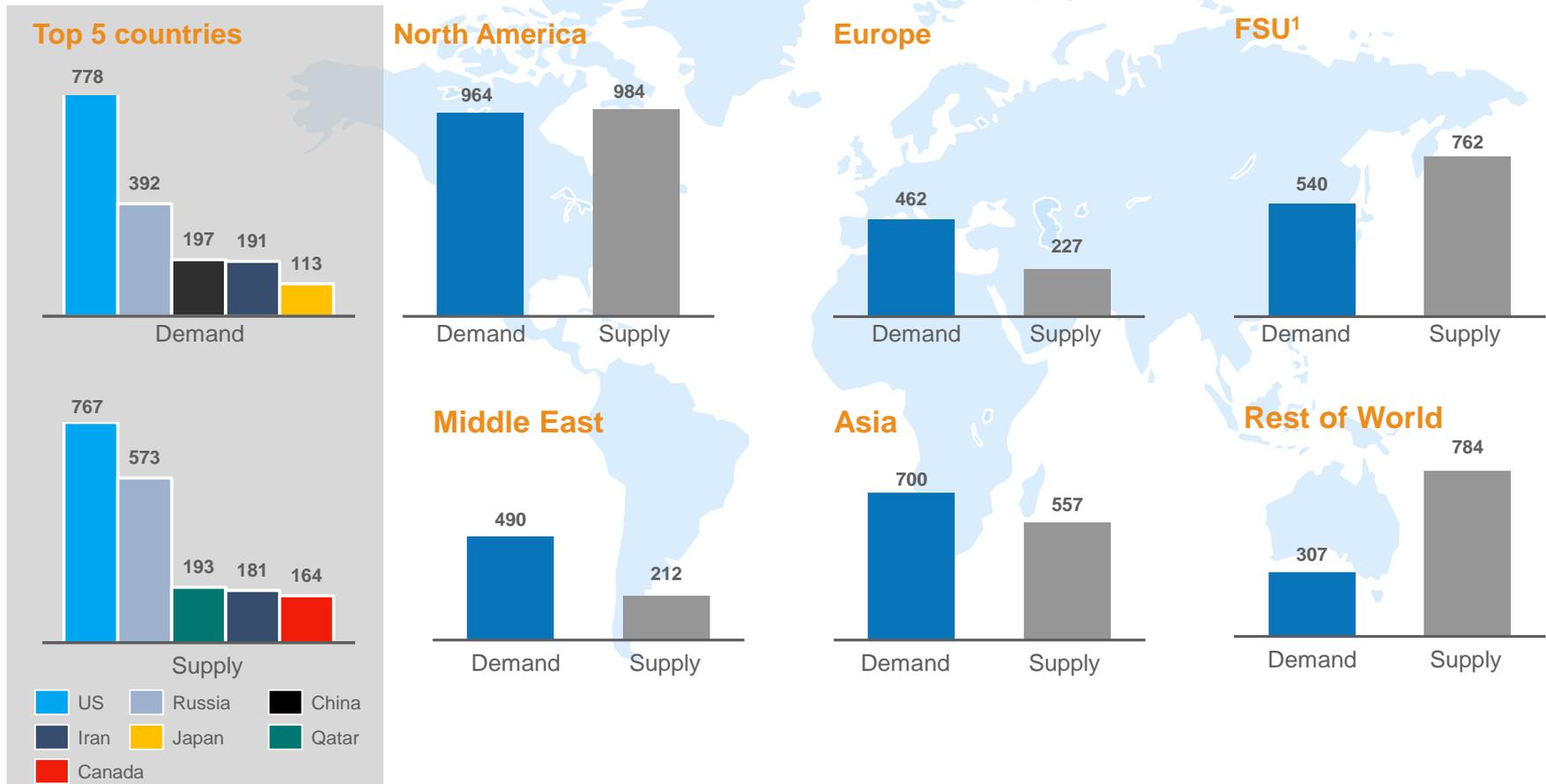
- Most energy demand growth will come from non-OECD countries, driven by strong economic growth, particularly in Asia
- Non-OECD Asia, including China and India, accounts for more than half of the world's total increase in energy consumption over the projection period

Natural Gas to benefit from transition to low carbon world

- In a transforming energy world natural gas will play a key role supporting the transition towards a low carbon world based on low carbon footprint
- Natural gas is flexible to react quickly to supply imbalances and demand peaks, hence ideally linked with intermittent renewable options

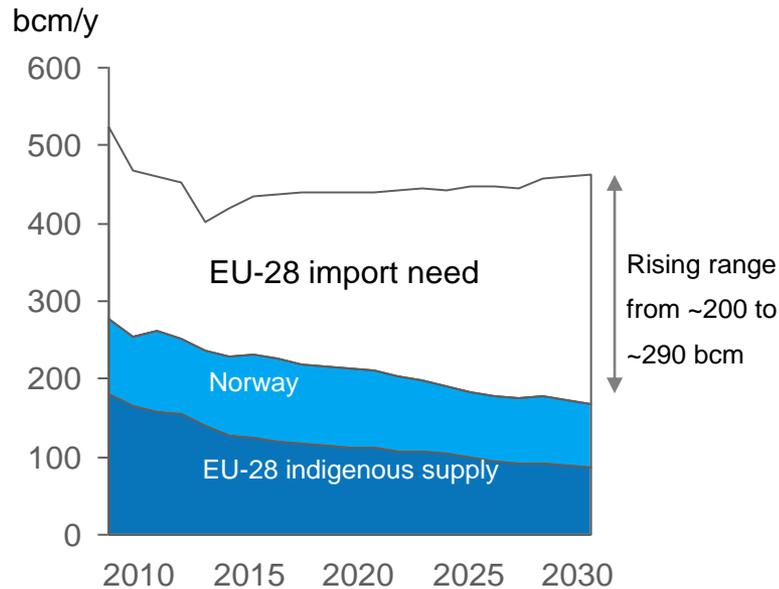
Europe, Middle East and Asia need natural gas imports

Global Demand and Supply (2015, bcm)



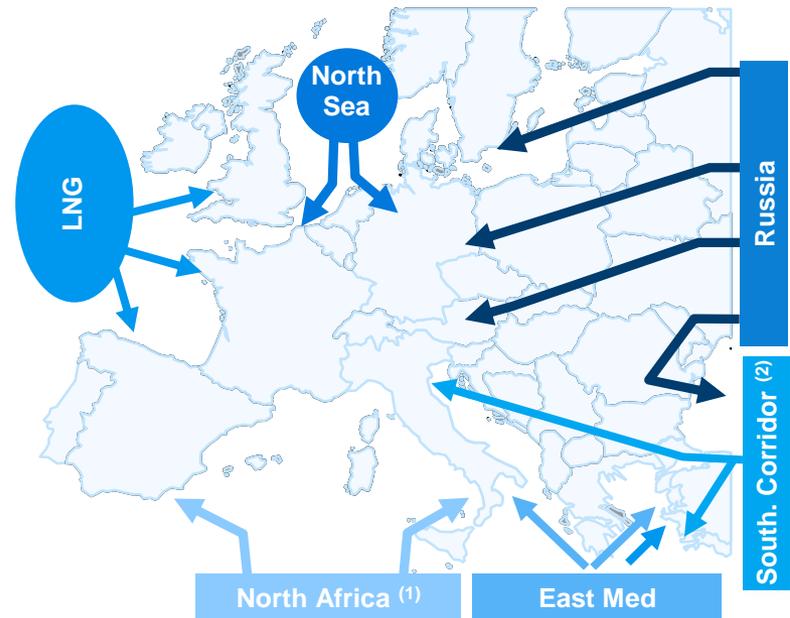
Increasing European import need driven by decreasing indigenous production

EU 28 – Indigenous supply, demand scenarios and import requirements



Source: IHS Cera, July 2016. European Long Term Supply & Demand Outlook

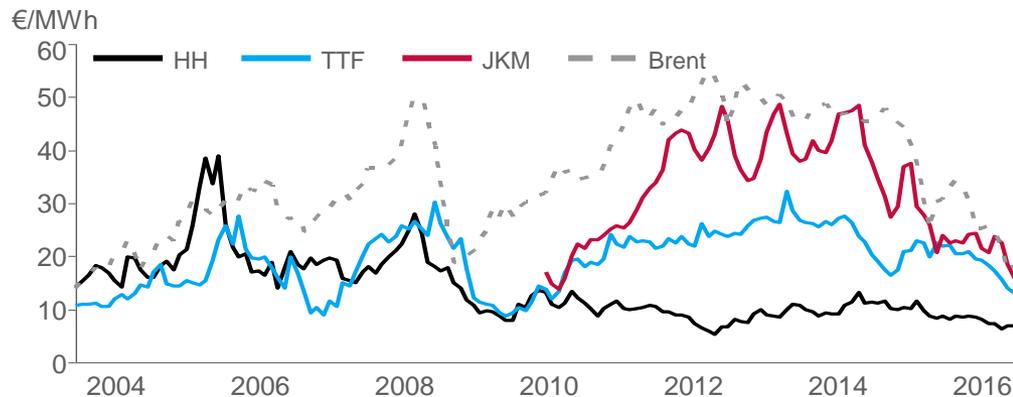
Current & future supply options



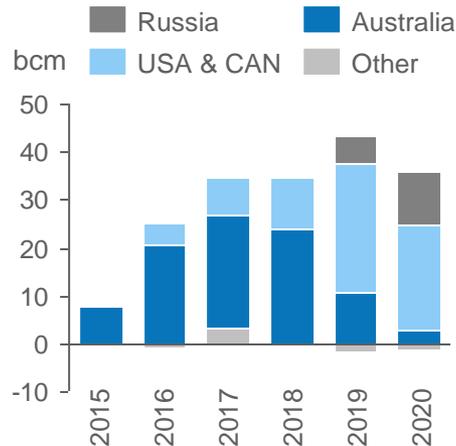
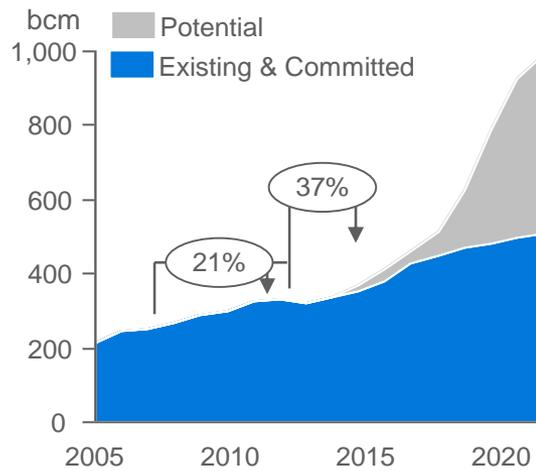
1) Pipeline + LNG 2) Azerbaijan, Irak, Iran, Turkmenistan

Depending on price environment this increased import may come from LNG

Global gas price development driven by Asian demand...



...triggered strong growth in LNG supply (esp. US & Australia)



Key highlights

End of investment cycle expected to bring price upside

- Low prevailing prices
 - Reduced demand growth outlook and discouraged new FIDs
- ➔ Leading to price upside post 2020

LNG can be a source to close supply gap - but only if Europe is setting the price

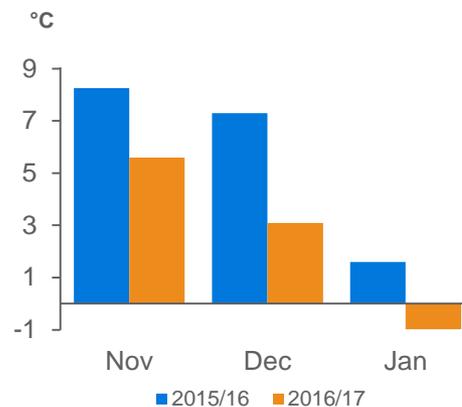
- The strong growth rate of LNG supply will make new supply available
- But Europe is not alone with its increasing need for gas imports

Flexible LNG can divert into Asia triggering need for storage and secure supply in Europe

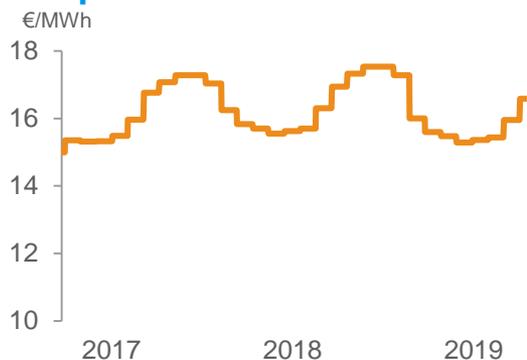
Gas Spot Prices
2016/17 vs. 2015/16 (TTF)



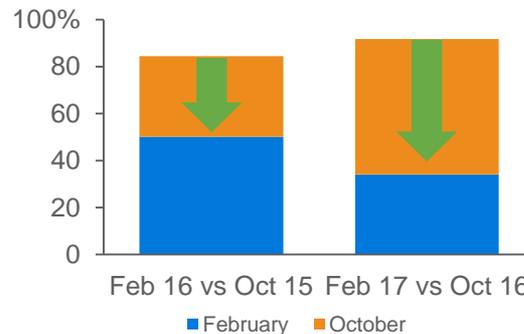
Temperatures Winter Season
2016/17 vs. 2015/16 (Germany)



TTF price forward curve



Gas Storages – Fill Levels (Europe)



Key Highlights

Security of supply more challenging

- 2016/17 showed the pattern of a 'normal' winter with temperatures 1–2°C below previous year's level
- A cold spell and unforeseen demand for gas fired generation brought European gas reserves to unexpected low levels
- Lower indigenous production in Europe will further increase the challenges in extreme scenarios

Market does currently not compensate for security of supply

- Summer/ Winter spread at historic lows. Injection in summer only marginally profitable on the curve
- Spreads/ storage earnings will have to pick up to secure security of supply

Our gas midstream business well positioned to be a key beneficiary

Decarbonisation kick-starts gas to power

- Growing due to long-term coal decommissioning and fuel switching
- Key driving force for gas demand mid to long term
- Seasonality in gas demand to become even more pronounced
- Gas to power requires safe and flexible gas supply

EU with increased dependence on gas imports

- Further development and commissioning of gas transport projects of common interest
- LNG share and reliable pipeline gas will increase
- As market conditions determine LNG flows – LNG is not reliable for security of supply

➔ **Importance of gas storage to ensure security of supply**

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IV. Positioning for the future

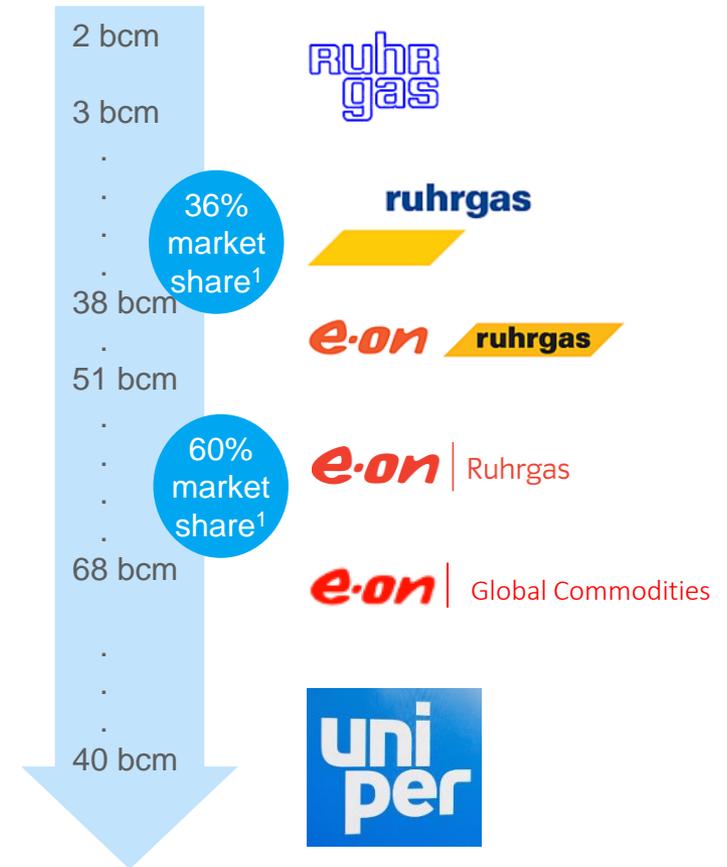
Keith Martin

V. Q+A

Uniper – a pioneer in the CE gas sector

Year	Key Highlight
1926	Ruhrgas AG has been founded
1966	First gas deliveries from the Netherlands
1970 - 1986	First gas supply contract with Russia (Gazprom), Norway (Troll) and Denmark
1998	Supply from the UK
2002	Takeover by E.ON
2005	Signing of Nord Stream I
2009	25% share in Yuzhno Russkoye
2013	Merger to E.ON Global Commodities
2016	Uniper Global Commodities
2017	Sale of Yuzhno Russkoye and support for Nord Stream II

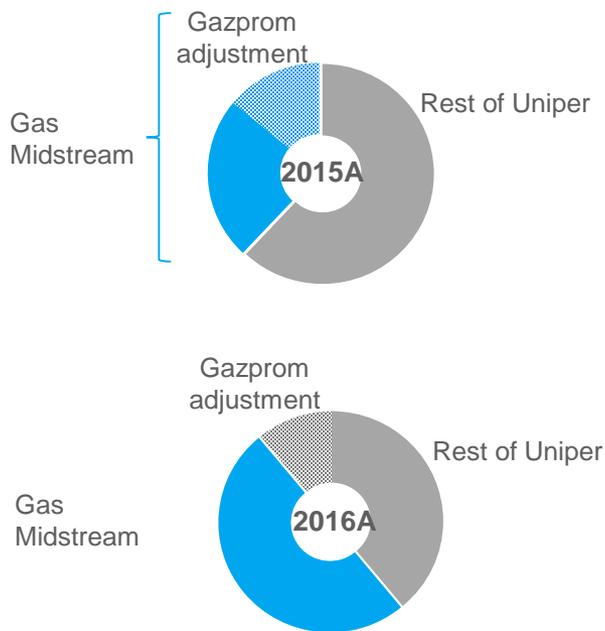
LTC Supply From Ruhrgas to Uniper



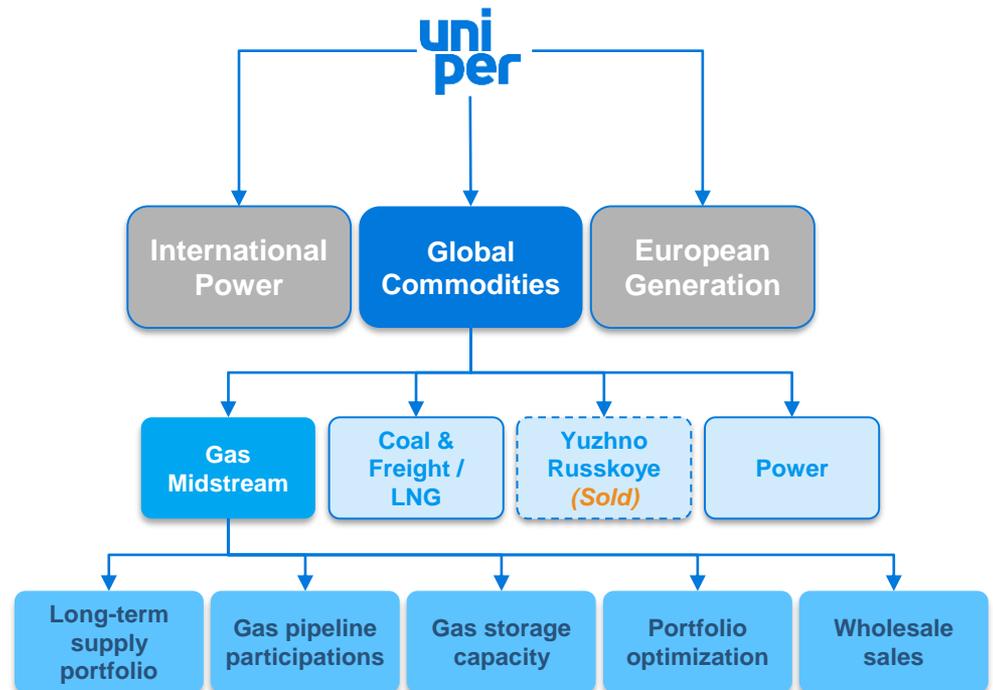
1. German wholesale market share

Our Gas Midstream business - a strong and reliable earnings contributor

Gas Midstream EBITDA vs. Group EBITDA (adjusted for non-periodic effects)¹



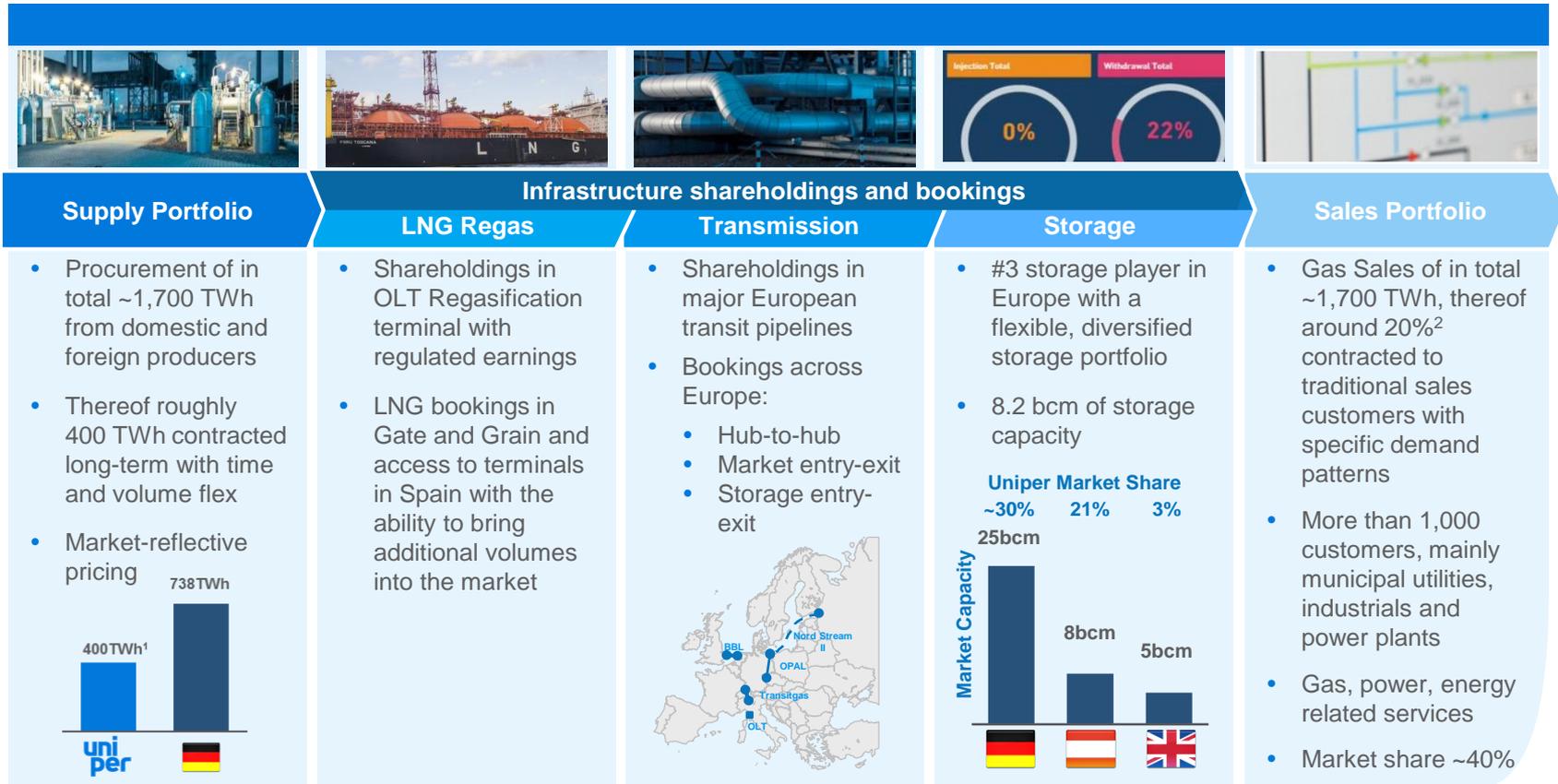
Gas Midstream in the context of Uniper



1. Note: the 2016 Gas Midstream result has been lowered by the non-periodic effect of the 2016 provision release for the Gazprom renegotiation. Accordingly 2015 Gas Midstream result has been increased by the relevant value.

Well positioned along the entire gas value chain

Strong asset base at the heart of the gas value chain



Integrated business model designed to achieve maximum value based on optionality

Flow

Flexible supply portfolio of various sources

Storage portfolio



Market access



Optimization

Complex management of the value chain between supplier and customer with optimization of supply agreements, transport, storage, markets and customers offering numerous flexibilities in terms of

- i. Volume
- ii. Timing
- iii. Location



Market Channels

Wholesale sales portfolio

TSO products

Other customers & counterparties

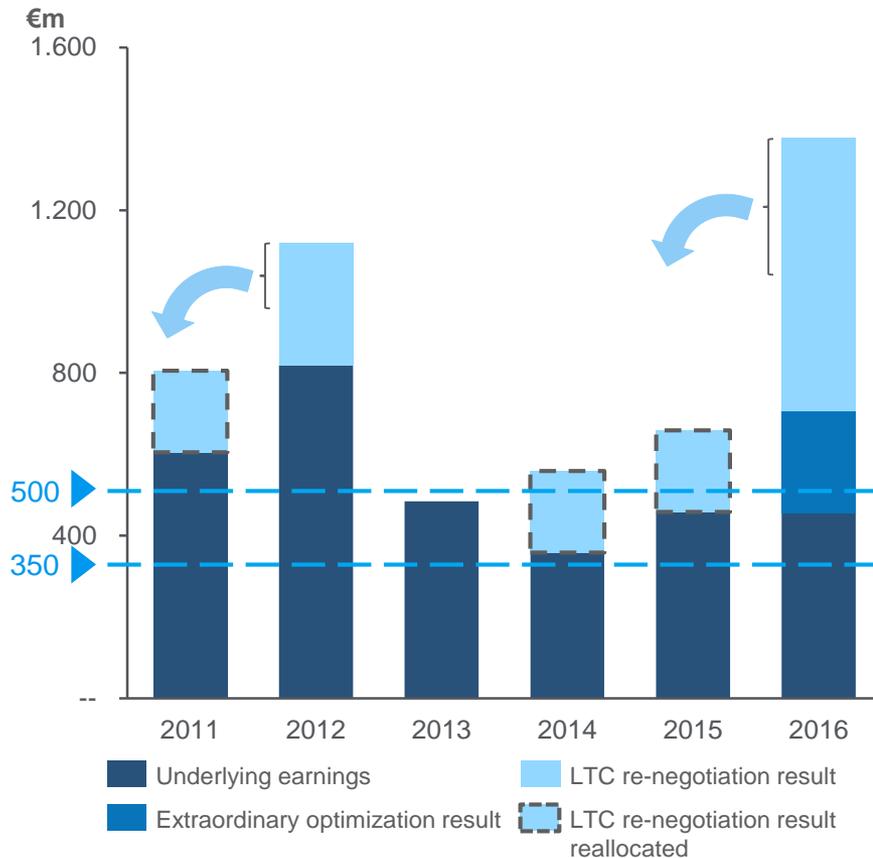
- Hub sales
- Tailored products
- Structured & Options

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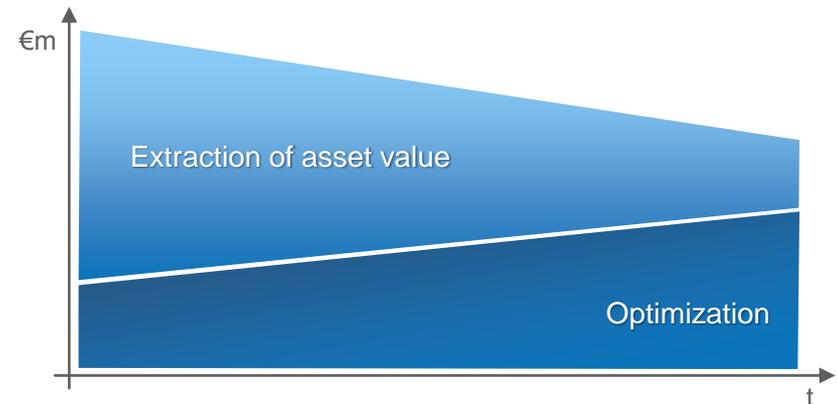
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Underlying EBITDA level of ~€350 - 500m

Underlying earnings plateau (adjusted for LTC settlement effects¹)



Shift of earnings



Portfolio de-risking

- Spread-risk between indexation in gas LTCs and sales contracts has been widely eliminated

Reduction of asset value

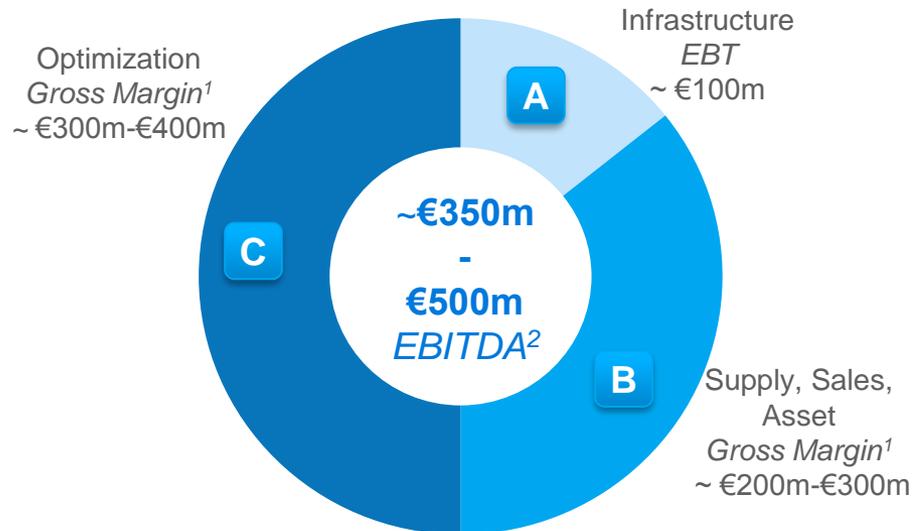
- Reduction in summer/ winter spreads
- Reduction in volatility

Increase of Optimization earnings

- Strong increase in liquidity at trading hubs
- Broader portfolio due to new products/ markets
- Consequent execution of make-or-buy decision

Sustainable earnings power

Underlying earnings plateau



A

Infrastructure

- Stable earnings from long-term marketed infrastructure investments

B

Supply, Sales and Asset Margin

- Structural earnings from supply, sales and asset margin based on commodity margin, value from our storage /transport assets as well as TSO products

C

Optimization Margin

- Proven earnings from Optimization Margin based on our portfolio approach including market elements

Additional earnings contributor

Upside from market recovery



Growth Projects



A Reliable earnings based on minority infrastructure shareholdings



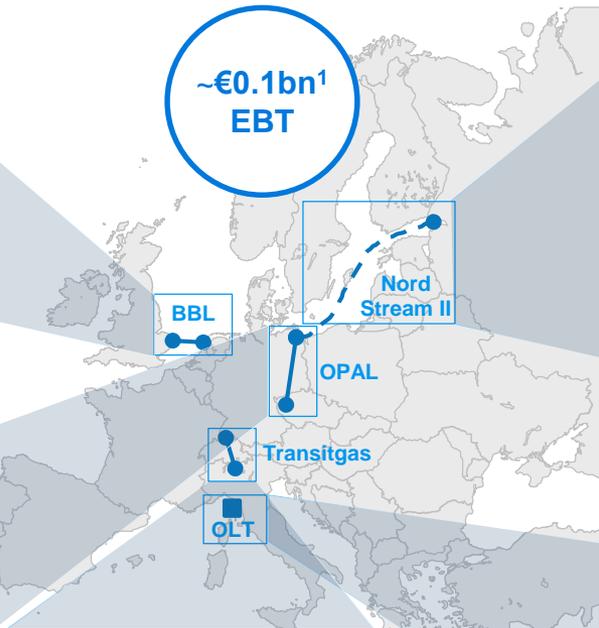
Key Metrics

Stake	20%
Capacity (100%)	16 bcm/a
Start-up Date	2006



Key Metrics

Stake	20%
Capacity (100%)	36.5 bcm/a
Start-up Date	2011



~€0.1bn¹ EBT



Key Metrics

Stake	3%
Capacity (100%)	18 bcm/a
Start-up Date	1974



Key Metrics

Financial commitment	up to 10%
Capacity (100%)	55 bcm/a
Start-up Date	2019E



Key Metrics

Stake	48%
Capacity (100%)	3.75 bcm /a



¹Note: The €0.1bn EBT includes income from interests



Structural earnings from Supply, Sales and Asset Margins

1. Commodity margin

- Supply & Sales Business delivers structural margin on the back of midstream services

2. Storage: intrinsic value

- Ability to capture the spread between seasons as base driver, complemented by monthly shape, multi-year and location value
- Earnings dependent on the magnitude and volatility



3. Transport: intrinsic value

- Ability to capture spreads between different locations (e.g. NBP/TTF, NCG/AOC)
- Therefore intrinsic value as part of or stable earnings base

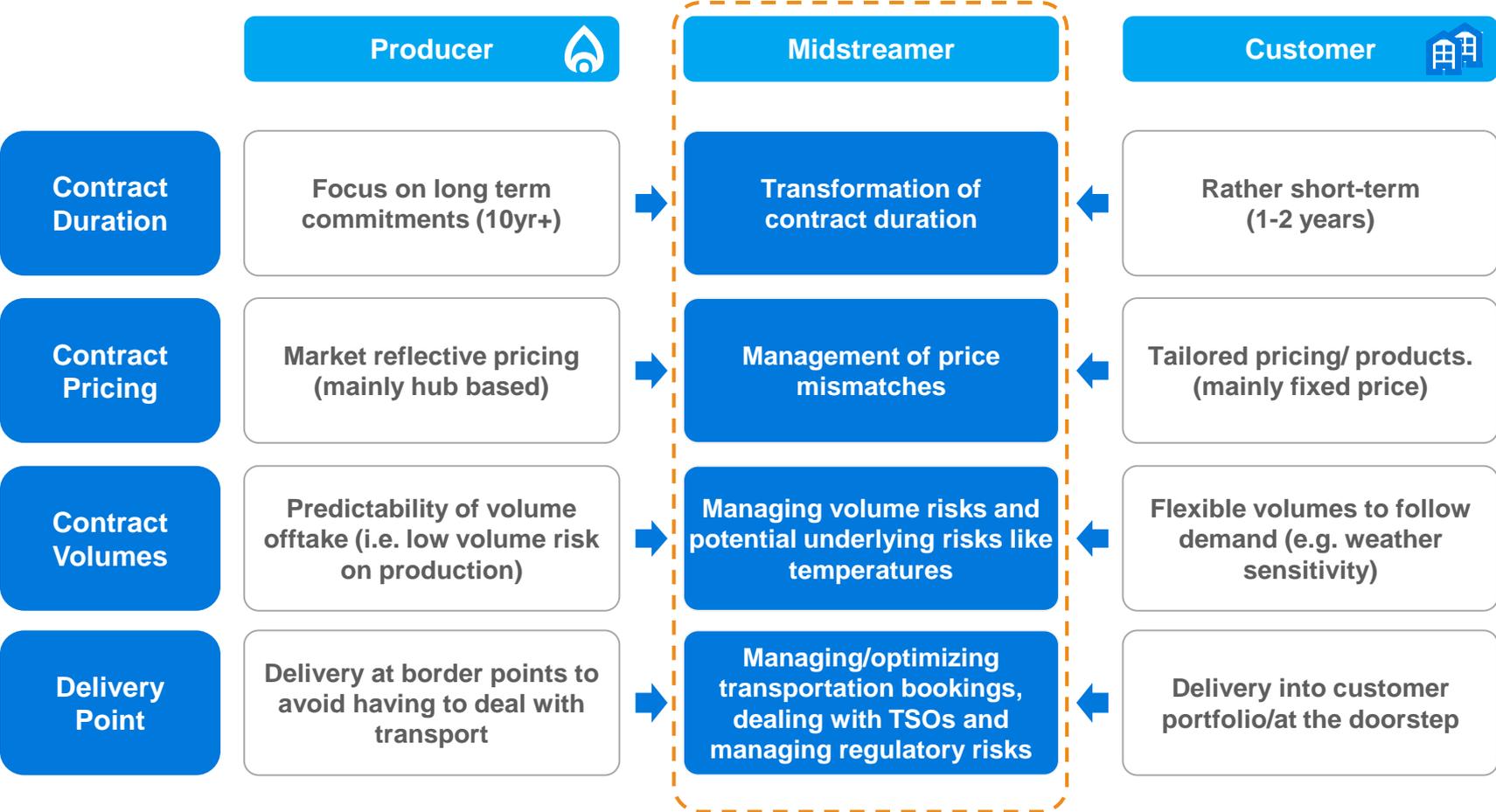
4. Earnings from TSO products

- Based on the large and diversified assets Uniper delivers security of supply for network operators
- Current market regime requires mid and short term services which are offered

B



Value adding function by managing risks between producer and customer products





Proven earnings power from portfolio optimization of ~€300-400m gross margin



Portfolio Effects

Broad toolbox and broad portfolio with partly offsetting positions allow to generate additional value at limited risks

Structured Optimization of flexibility

Time (storage) and location (transport) optimization generates additional value

Asset backed Optimization

Assets enable to take market views on gas prices as well as spreads

Capturing significant additional value from diversified portfolio

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Growth: Origination of new business activities (examples)

New ventures

LNG for Trucks



- Iveco and Uniper open first LNG fuelling station for trucks in Germany
- Savings on fuel costs and more pronounced environmental benefits

LNG services



- Providing Services e.g. to LNG Suppliers, Infrastructure & Hedge Funds

New technologies: examining technical and economic Feasibility of green fuels

- Power-to-Gas technology utilizing renewable electricity produces green hydrogen and oxygen (electrolysis)
- Green hydrogen can be fed into the natural gas grid or used directly in refineries and mobility to reduce emissions and to integrate renewables

Organic growth

Go East



- Expansion of operations into Eastern Europe to increase Uniper's market share based on existing assets

New LNG Opportunities



- Expansion of operations into middle east creating sales outlets on global LNG-to-Power & optimizing Regas

Nord Stream II



- Strategic investment
- Source of very stable long-term cash flows

Shah Deniz LTC



- A long term gas supply has been signed with the Azerbaijani state oil company SOCAR

Uniper gas midstream – core EBITDA of €350-500m p.a. ...

Well positioned
for a decarbonizing
world

Long-term upsides
from recovery
of gas storage

Growth potential in
global LNG markets

Stable earnings from
infrastructure

Reliable margins
in midstream core

Additional value
creation from
optimization

... and upside/ growth potential

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